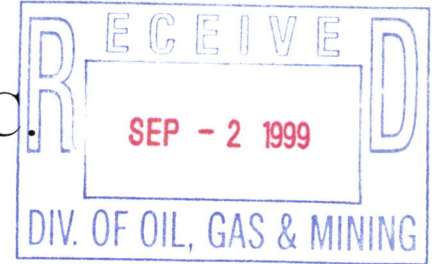


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B.E.G. RESOURCES, LC.
(A Utah Limited Liability Company)
95 North 200 East
American Fork, Utah 84003



September 1, 1999

Mr. D. Wayne Hedberg
Permit Supervisor
State of Utah
Division of Oil, Gas, and Mining
P.O. Box 145801
Salt Lake City, Utah 84114

Dear Mr. Hedberg:

I'm sorry we keep missing each other on the telephone. I am writing this letter in response to your letter dated July 15, 1999. I understand there has been some vague communication from our prior partner regarding the road at the travertine mine in Leamington. Hopefully I can explain our findings clearly and reasonably.

Since receiving the above mentioned communication from you, we met with Neal Jensen to see exactly where he had left the matter when he last spoke with your office. Mr. Jensen informed us that he had been working with Juab County to come to an understanding of the county's position regarding the road in question. Since that time we have had meetings with the county and found them helpful. Following is a summarization of the counties position:

1. Juab county is currently in the middle of a review of the RS2477 and other roads within the county. This will culminate in a new inventory of the county roads on which the road in question is and will be listed. This inventory is being done as part of a Transportation Element added to the General Plan in June 1999 and is being conducted with Global Positioning Techniques.
2. Juab county has given B.E.G. notice that it is unlawful for us to close this road and that any such attempt by B.E.G. will be met with full penalty of law. Clearly reclaiming the road would be in violation of the rights asserted by the county.

I have enclosed a map of the area in question, which you no doubt already have at your disposal. The map is dated 1967 and clearly shows the road in existence at that time. Statute prohibi

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